

Congress of the United States
Washington, DC 20515

December 15, 2017

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin Brady
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan and Chairman Brady:

We write today to request the inclusion of language in the next continuing resolution (CR) that is critical to over a dozen rural, safety-net hospitals in our districts. The language would simply provide the Centers for Medicare and Medicaid Services (CMS) with the authority to apply retrospectively a payment correction the agency has already made prospectively through the rule making process. We believe this policy alignment is necessary and would ensure fundamental fairness to protect for many of our rural hospitals and the communities they serve.

This proposed legislative text would retrospectively fix an error the Medicare contractor for New York and New England recently made when determining a Medicare payment adjustment called the Volume Decrease Adjustment (VDA). Because of this error, 16 small hospitals in our districts are being forced to repay over \$15 million with a punitive interest rate of over 9 percent. These hospitals have operated in good faith and abided by the instructions and approval from the CMS contractor about the calculation for the payments.

The VDA is provided to Medicare Dependent Hospitals (MDH) and Sole Community Hospitals (SCH) that experience a significant decrease in patient volume from one year to the next, due to circumstances beyond their control. The adjustment is intended to cover some of the costs needed to maintain the core staff and services necessary for continued operation of the hospital during a challenging time. These rural community hospitals are financially vulnerable and the VDA is critical to ensure continued operations.

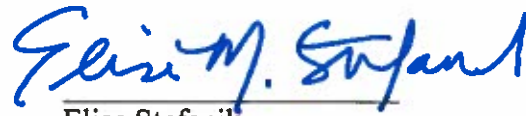
Included for your consideration is the proposed legislative text as well as a copy of a letter we collectively sent to CMS this summer to urge the correct VDA policy be made both retrospectively and prospectively. Again, the agency did in fact make the appropriate change prospectively, but lacks the authority to apply the change retrospectively. Therefore, it is necessary to pursue a legislative fix.


The enclosed legislative text has been provided to the Ways and Means Health Subcommittee staff for their consideration. We are seeking your support for its inclusion of this language in the next CR. We thank you for your consideration.

Sincerely,


Claudia Tenney
Member of Congress


John Katko
Member of Congress


Elise Stefanik
Member of Congress


John J. Faso
Member of Congress



Chris Collins
Member of Congress